

**APPLICANT ARGUMENTS OR REMARKS**

Claims 17-19, 21, 23-32 are now in the application. Claims 17, 27, 29 and 32 are amended. Claims 17, 27, 29 and 32 are independent claims.

**Claim Rejection Under 35 U.S.C. 103(a)**

The Office Action rejects claims 17-19, 21 and 25-32 as obvious over Kolling et al. (U.S. Patent 5,920,847) in view of Nemzow (U.S. Patent 6,721,715).

Kolling relates to the payment of bills, and not the context in which one party has currency A and wants currency B, and a counterparty has currency B and wants currency A (to take the simplest example). Kolling neither discloses nor suggests any relevance to foreign exchange transactions.

Furthermore, Kolling does not disclose or suggest determining a net payment position of the kind described above; in Kolling it is assumed that bills are paid in full.

Moreover, as acknowledged by the Office Action, Kolling, does not disclose or suggest the feature of each currency having a unique identifier and each combination of currencies having a unique combination identifier derived from each currency-specific identifier.

The Office Action cites Nemzow [e.g. the unit 40, 60, Fig 1; col. 5, line 59- col. 6, line 32] as providing prior art for applicants element “each currency having a unique identifier and each combination of currencies having a unique combination identifier derived from each currency-specific identifier”.

The portion of Nemzow cited details a number of data structures including currency codes data structure, a currency symbol data structure, a transaction data structure, and a foreign exchange (FX) valuation data structure, and the use of the currency codes data structure and the foreign exchange (FX) valuation data structure to store relative currency values.

In contrast, applicant’s unique combination identifier is effectively a binary string, as detailed in, for instance, page 22 lines 8 – 16 of applicants application as filed. In applicants embodiment, a 1st currency may, for instance, be given the identifier 1, a second currency the identifier 10 and a third currency an identifier that is 100. A trade that involves the first and third currency is then identified as 101, and a trade involving all three currencies is identified by 111.

Moreover, Nemzow also does not disclose or relate to the context in which one party has currency A and wants currency B, and a counterparty has currency B and wants currency A. Instead, it describes a currency conversion system (i.e. if product X costs \$500, how much should it cost in Euros?).

Furthermore, because it deals with a currency conversion system, it does not disclose or suggest determining a net payment position of the kind described above; there are no payments as such to net against each other in Nemzow.

In order to clarify these distinctions of applicant's claimed invention over the cited prior art, applicant has amended claim 17 to now recite:

a first computer terminal into which the party inputs details of a potential first financial transaction to buy an amount of a first currency using a second currency.

a second computer terminal into which the counterparty inputs details of a potential second financial transaction to sell an amount of that first currency and to receive the second currency or another currency,

a computer network connecting the first and second terminals;  
characterised in there being:

(a) a computer program that allocates to each currency a unique identifier such that each possible combination of currencies to be bought and sold by parties and counterparties is uniquely identifiable by a combination identifier that is a single binary number derived from the unique identifiers of each currency of the combination; and

(b) a computer program arranged to determine, prior to the first and second transactions occurring, a net payment position if either the first and second transactions were to occur only in part and to complete each transaction on the basis of the net payment position.

Applicant submits that in view of these amendments, claim 17 is now in condition for allowance, and requests that this rejection be withdrawn and claim 17 allowed.

Similar amendments have been made to independent claims 27, 29 and 32.

Applicant submits that in view of these amendments, claims 27, 29 and 32 are now in condition for allowance, and request that this rejection be withdrawn and claims 27, 29 and 32 be allowed.

As claims 18-19, 21 and 25—26, 28, and 30-31 depend from, and include all the limitations of allowable independent claims, applicant requests that they too are in condition for allowance. Applicant, therefore, requests that this rejection be withdrawn and claims 18-19, 21 and 25—26, 28, and 30-31 be allowed.

**Claim Rejection under 35 U.S.C. 103(a)**

The Office Action rejects claims 23-24 under 35 USC 103(a) as obvious over Kolling et al. (U.S. Patent 5,920,847) in view of Nemzow (U.S. Patent 6,721,715) and further in view of Davis et al. (US Patent 6,282,522).

As claims 23-24 depend from, and include all the limitations of allowable independent claims, applicant requests that they too are in condition for allowance. Applicants, therefore, request that this rejection be withdrawn and claims 23-24 be allowed.

**Summary**

Therefore, in view of the foregoing amendments and remarks, applicant respectfully requests entry of the amendments, favorable reconsideration of the application, withdrawal of all rejections and objections and that claims 17-19, 21, 23-32 be allowed at an early date and the patent allowed to issue.

Respectfully submitted,

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